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UNITED STATES SENATE

CONCERNING REAUTHORIZATION OF THE FEDERAL-AID HIGHWAY PROGRAM
AND RELATED RURAL TRANSPORTATION ISSUES

FIELD HEARING IN BOISE, IDAHO

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Mr. Chairman and Members of the Subcommittee:

Good morning, Mr. Chairman and members of the Subcommittee. I am Galen Reser, Assistant Secretary for Governmental Affairs for the Department of Transportation. I am very pleased to be here today to discuss the future of the Federal-aid highway program and other related issues. I would like to start by addressing the National Transportation Policy, the first since 1978.

Secretary Skinner initiated the National Transportation Policy development process almost as soon as he became Secretary, realizing that it was time to take a new look at transportation policies. The Department went out to the American people in more than 100 public meetings; the first one was held about 200 miles north in Moscow of here last July. In essence, what we heard was a call for an improved transportation system -- a system which makes better use of what we have, with a sound financial base; a system that supports our national goals in the areas of safety,

national security, environmental protection, and accessibility for all.

The National Transportation Policy provides a strategic framework for that national investment of time, of money, and of commitment. It shapes the movement of passengers and goods in the 1990's and beyond. The Policy uses a common sense approach of focusing our limited resources on systems of national significance and promoting national priorities, such as improving mobility and the efficient movement of goods, providing jobs, and improving the quality of life for all Americans. The Policy is intermodal in nature -- driven by the freedom of the marketplace and focused on moving America toward a transportation system that will move the U.S. into the next century.

The policy has six major themes: one, maintaining and expanding the existing transportation system; two, providing a sound financial base for transportation programs; three, maintaining a strong and competitive transportation industry; four, ensuring public safety and national security; five, enhancing the environment and the quality of life for our citizens; and six, advancing transportation technology into the 21st century.

Among the 169 guidelines and 65 legislative, regulatory and program objectives in the National Transportation Policy are long-term goals that will help to preserve transportation facilities currently in place; expand essential capacity; close the gaps in the transportation network; promote effective connections between rural and urban areas, between ports and inland points, and between modes; maintain the integrity of the trust funds, and

ensure that all transportation user fees are spent for their intended purpose -- to improve transportation; and promote sounder management of our transportation systems.

The Policy already has provided the basis for reauthorization legislation for our aviation program which was submitted to Congress this session, and is the basis for preparing our reauthorization proposal for the highway, transit and highway safety programs and other near-term legislative initiatives. I would like to turn now specifically to the Federal-aid highway program.

Under the current program, most federal aid funds are apportioned to states in accordance with formulas that give weight to population, area, mileage, and relative costs (needs). The states are responsible for determining how the money will be used within the legislated and administrative guidelines issued by the U.S. government. States have the option of further distributing these funds in the forms of grants-in-aid to local governments for use on eligible roadways under their jurisdiction. However, most roads in rural areas are on state systems, and federal-aid projects on them are administered by the states.

Where the Federal Government is funding, operating, and regulating areas that are not necessary or appropriate, that involvement should be reassigned or eliminated. We know that State and local governments have already assumed greater responsibility in transportation. This can and should continue.

However, it is not anticipated that the basic roles of the federal, state, and local governments will change substantially in the post-interstate era. The most important change anticipated at

the federal level is a reduction in the number of categorical programs and an emphasis on a program of national interest. Additional flexibility will be provided to state and local governments in making use of federal funds, particularly for those roadways that are clearly not of national interest. The states will continue to be the primary recipients of federal-aid money, with some funds being passed through to local governments for their use at the states' discretion.

At the same time, we must also ensure that there is a sound financial base to support our transportation system. The Federal government, in partnership with State and local governments, and the private sector, must see that the financial means are available to invest in America's future. We seek to encourage a greater role on the part of the States, localities, and the private sector in the preservation and development of transportation infrastructure whose primary importance is statewide or regional.

To help meet the needs we face, the National Transportation Policy urges greater flexibility for state and local governments to raise revenues -- for example, allowing greater use of toll financing for Federal-aid highways. We also want to stimulate private investment and to encourage joint public-private financing of facilities where appropriate. Accommodating increasing traffic demands and maintaining a reasonable performance level of the transportation system will require continuing and substantial infusions of private capital. In this context, we are considering expanding the ability to use private donations, including cash and right-of-way, for the State's share of a project; and allowing

private toll roads to be eligible for Federal-aid funds, provided that such facilities could be incorporated into the Federal-State grant-in-aid process.

In your letter of invitation you expressed interest in several highway transportation issues affecting rural areas. As we all know, farm-to-market transportation is critical to the national economy. An efficient and well maintained rural road system is important for the movement of goods and services to the farm, and products such as grain, produce, milk, and timber to the marketplace. If major parts of the transportation link with rural America are too slow or too expensive, American agricultural products and non-agricultural products manufactured in rural areas would be impacted.

Transportation needs in urban and rural areas are different, indicative of the unique problems and opportunities available in each. In rural areas, for example, there are major concerns for access to keep the more isolated rural communities in social and economic contact with the rest of the country.

Rural areas have benefited from federal highway spending. Of the eight States with the highest ratio of Federal-aid Highway apportionments to payments made to the Highway Account of the Highway Trust Fund, six of these States are land-mass States or States with large rural population. (Note: Alaska, Montana, Nevada, Utah, West Virginia, and Wyoming are States which have received in Federal-aid Highway apportionments more than twice what they have paid in Federal highway taxes.)

I would like to address briefly some of the issues raised by your invitation letter:

APPORTIONMENT FORMULAS AND MATCHING RATIOS

Under current law, rural States benefit from the use of certain apportionment factors and lose from the use of other factors. The use of land area and rural populations in the current Federal-aid primary and secondary formulas are of great benefit to the rural States. The use of urban population is not beneficial to rural States. The reauthorization process will determine the adequacy and appropriateness of the current factors as well other possible factors. Enacting apportionment factors that are fair and equitable to both rural and urban areas is a key goal of the reauthorization process.

Currently, the weighted-average Federal/State matching ratio for major Federal-aid Highway programs is about 83 percent and 17 percent respectively. Because of the sliding scale provision i.e., adjusting the percent of the Federal share to reflect the percent of Federal lands in a State, Idaho's effective share is 91 percent Federal and 9 percent State. While a change in the Federal share and a change in the size of the program may require the States to provide new funds, no final decisions on ratios or program size have been made.

RURAL BRIDGES

There is also concern with the replacement of aging bridges, mostly off-system low volume bridges, and maintaining pavement conditions on rural roads. Rural bridges are generally older. According to the FHWA's National Bridge Inventory, as of December 31, 1988, the average age of rural bridges was 36.6 years.

During the highway reauthorization process we will be considering revisions to the eligibility criteria for bridge

replacement or rehabilitation. The criteria will be used to measure a bridge's capability to accommodate expected traffic loads. We will be considering methods for assigning differing target values based on the particular highway system or functional classification of the route being considered. Such a system could assist us in developing apportionment formulas that measure the relative needs of an individual State as compared to the needs of all States.

RURAL HIGHWAY NEEDS ON FEDERAL LANDS

There is also concern for the special highway needs on Federal lands. There are several categories of rural roads serving Federal lands. These consists of forest highways, park roads and parkways and Indian reservation roads. Funding for these roads is derived from the Highway Trust Fund under the Federal Lands Highway Program.

The Forest Highways comprise approximately 25,000 miles of public highways which are owned and maintained by a public authority (State and local government). Forest Highways are the primary access routes serving the system of National Forests. These highways connect the National Forest land based forest development road system to primary points of forest commerce or to other primary routes of travel. Two key forest resources served by these roads are recreation (66 percent) and timber (31 percent). About 40 percent of all traffic using these roads is forest related. Approximately 44 percent of the forest highways are off the Federal-aid system. The total backlog of improvements is estimated at $10 billion of which $4 billion is

forest related based on forest generated/related traffic. The current annual authorization is $55 million.

Approximately 8,000 miles of park roads and parkways provide access to and within the National Park System. These roads are under the jurisdiction of the National Park Service. The primary purpose of these roads is recreation. The current annual authorization is $60 million.

There are about 20,000 miles of Indian reservation roads that are under the jurisdiction of the Bureau of Indian Affairs (BIA). In addition, there are approximately 27,000 miles of State and local roads that also serve Indian country. Over 70 percent of the BIA system roads are unimproved earth, improved earth and gravel. Indian reservation roads serve over 500 recognized tribes. In many instances, Indian reservations are in isolated locations with little arable land and few known natural resources. Some of the isolation is perpetuated by lack of transportation facilities. Isolation is also a result of geologic features such as islands, lakes, rivers and terrain. Many of the Indian reservations are among the most economically depressed areas of the country. These roads provided needed access for economic development, work, medical services, and schools. The current annual authorization is $80 million.

Forest highways and Indian Reservation Roads provide access to rural agricultural areas. Forest highways provide access for grazing and other Forest Service range management activities. Indian Reservation Roads provides access to agricultural/economic development activities in Indian country.

Many rural roads provide access to scenic and other historic points of interests. Recreational and tourism travel is the third largest service industry in the United States. Many States have initiated scenic byways programs through their tourism offices and highway agencies. Recreational and tourism travel continues to be an important part of economic development in rural areas. Good transportation facilities would encourage these activities along with other non-highway support facilities such as fuel, lodging, food, recreation and other related travel services.

RURAL ROAD SAFETY

In your letter of invitation you also expressed concern regarding the issue of safety on rural roads. In the United States, there are an estimated 3.1 million miles of rural two-lane highways, which represent 97 percent of rural mileage and 80 percent of all highway miles. Most of these roads carry relatively low traffic volumes, with approximately 80 percent of them having an average daily traffic of less than 400. Much of the rural two-lane highway system is in rolling terrain or mountainous areas, with only 31.5 percent in flat areas. Common geometric problems of rural two-lane roads include narrow lanes and shoulders, unstabilized shoulders, unsafe roadsides (steep sideslopes and/or cluttered with trees, utility poles, and other rigid objects close to the roadway).

To assist the States in improving safety in rural highways the Department's Federal Highway Administration has published and makes available several publications. For example, the informational guide on "Safety Cost-Effectiveness of Incremental Changes in Cross-Section Design" (Publication No. FHWA/RD-87/094)

presents information for estimating the costs and safety benefits which would be expected from the adoption of various improvements on specific sections of rural, two-lane roads. Improvements described in this and other FHWA publications include lane widening, shoulder widening and resurfacing, sideslope flattening, and roadside improvements. The guide is useful to those involved with the design of 3R-type projects, particularly improvement projects which will be constructed on existing alignment and right-of-way.

Under current law, all public roads are eligible for Federal highway safety funding available under the Hazard Elimination Program and the Rail-Highway Crossing Program.

TRUCK SIZE AND WEIGHT

The issue of increased allowable weights for trucks is also of interest to rural areas. Truck weight regulation is motivated by concern for protecting the pavements and bridges over which heavy vehicles travel, and the safety of the motoring public which must share the roads with the commercial vehicles. Increasing the size and weight of trucks can reduce the unit transportation costs of the freight being carried, but these productivity benefits are offset by pavement and bridge costs and possible safety degradation. As the volumes of truck freight have grown, trucks have also increased in size to take advantage of improvements in the highway system and vehicle technology. The physical characteristics of some parts of the Nation's highway system, such as rural non-primary roads, have not evolved as fast, and it is these roads that would have the greatest difficulty in accommodating larger trucks.

The most recent increase in commercial vehicle weights and dimensions was brought about by the Surface Transportation Assistance Act of 1982 which called for a National Network over which 102-inch wide vehicles, including twin-28-foot trailer combinations and tractors with 48-foot trailers, could operate. The National Network for these vehicles includes highways on the Interstate System and approximately 145,000 miles of non-Interstate highways. Before being included on the National Network, highways must satisfy minimum engineering standards such as lane widths greater than 10 feet, adequate sight distance for passing and stopping, and interchange and intersection design adequacy.

Many non-primary rural roads are simply not built to standards that could accommodate large numbers of bigger, heavier trucks. Of particular concern is the impact of these bigger vehicles on bridges. About 120,000 of the 550,000 bridges on non-Interstate highways are posted, indicating that they do not have adequate load-bearing capacity to accommodate all vehicles that are legal today in their respective States. In its 1990 report to Congress entitled Truck Weight Limits: Issues and Options, the Transportation Research Board evaluated a scenario which would eliminate the 80,000 pound gross vehicle weight (GVW) cap and would determine maximum vehicle weights through application of the existing bridge formula. This scenario would result in replacing, strengthening, or posting an additional 22,000 bridges at a cost of $240 million per year.

All States, however, have permit systems that allow trucks to exceed Federal and State size and weight limits under special

circumstances. These permits are typically issued for freight that could not be as efficiently or economically transported by other means. In many instances, States authorize the operation of larger, heavier trucks in rural areas under special permits, and issue these permits to further the economic interests of their local economies.

COMPLEXITY OF STATE ADMINISTRATIVE REQUIREMENTS

A related issue is the regulatory structure within which carriers must operate. The transportation system depends on the services of providers that are efficient, competitive, and capable of adjusting to changing national transportation needs. We must keep the transportation industry strong and competitive by removing barriers that impede productivity, or restrictions that favor one mode over another. The administrative burden affecting trucks and buses in such areas as vehicle registration and tax reporting requirements must be reduced.

TRANSPROTATION SAFETY

Transportation safety will continue to be a key Federal responsibility. We must make every effort to ensure that the transportation system is as safe and secure as is humanly possible. Stronger measures must be taken to protect the environment from accidental spills of hazardous materials, and to rid our highways of unsafe commercial drivers and vehicles.

To address these problems the National Transportation Policy recommends improving highway and motor carrier safety by targeting federal financial support and technical assistance to promote enactment and more effective enforcement of laws governing speed limits, driving under the influence of alcohol or drugs, truck

driver qualifications and vehicle maintenance, and use of safety belts, child safety seats, and motorcycle helmets; and increase public awareness in those areas.

CONCLUSION

In many ways, the issues and specific problems of rural and urban America seem to be separate, but in another respect, they are the same -- the need for safe, efficient, and reliable transportation options to provide access and ensure future mobility for a growing American population and changing economy. One of the National Transportation Policy's goals is to encourage State, local and private efforts to preserve and enhance efficient transportation service in rural areas lacking effective connections. We feel that the National Transportation Policy will assist in coordinating all available resources towards the achievement of this goal.

That concludes my prepared statement, I will be pleased to answer your questions at this time.